



NORTHEAST MINNESOTA ECONOMIC DEVELOPMENT DISTRICT

Midpoint Progress Report

FY 2013 Planning Assistance - Award Number 06-83-05827

The Arrowhead Regional Development Commission (ARDC) is the designated planning organization for the Northeast Minnesota Economic Development District. This Midpoint Progress Report for the Northeast Minnesota Economic Development District (NEMEDD) FY 2013 Planning Assistance Award (Award Number 06-83-05827) covers activities from July 01, 2013 through December 31, 2013.

FY 2013 PLANNING INVESTMENT PROJECT REVIEW

ARDC's economic development activities are focused on the Investment (Project) Description developed for the FY 2013 Planning Assistance Investment. A summary of each of the nine work plan objectives included in the Investment (Project) Description is found in Table 1.

Table 1. FY 2013 Planning Investment Work Plan Objectives	
1. CEDS	Implement and update the Comprehensive Economic Development Strategy.
2. Industry clusters	Work with the public and private sector to improve the region's industry clusters.
3. Regionally significant projects	Assist communities and organizations to develop and fund regionally significant economic development projects.
4. Economic resiliency	Assist communities affected by natural disasters and economic dislocations.
5. National strategic priorities	Promote and implement initiatives that advance EDA's national strategic priorities.
6. Community development strategies	Assist development of community and multi-jurisdictional strategies that complement the CEDS.
7. Economic development incentives	Help administer regional economic development incentive program.
8. Economic development organizations	Coordinate and participate in relevant economic development organizations.
9. Reporting	Communicate and report to the EDA.

Project: **Minnesota Woody Biomass Thermal Energy Team**

Summary: ARDC has made a three-year commitment to work as an associate project partner to the Minnesota Woody Biomass Thermal Energy Team. This project, led by the Minnesota Department of Natural Resources, seeks to accelerate initial project scoping and design for up to 20 commercial and institutional facilities, complete advanced engineering and financial analysis for up to 10 of those facilities, and ultimately initiate construction of three or more wood energy systems. ARDC will provide assistance in making presentations, conducting outreach, and helping to support any project advancements in northeast Minnesota.



NORTHEAST MINNESOTA ECONOMIC DEVELOPMENT DISTRICT

Midpoint Progress Report

FY 2013 Planning Assistance - Award Number 06-83-05827

Objectives: **2** – Industry clusters, **3** – Regionally significant projects

Project: **Hazard Mitigation Planning**

Summary: ARDC is currently working on the Multi-Hazard Mitigation Plan (MHMP) updates for Aitkin, Carlton, Itasca and Koochiching Counties. The MHMPs will support the ability of each County and its jurisdictions to develop and implement projects that will strengthen their communities against the impact of disasters. Natural or man-made disasters can adversely affect local economic development and the stability of community systems due to damage to critical infrastructure and key programs. The MHMP updates will be completed in 2014.

Objectives: **4** – Economic resiliency, **5** – National strategic priorities, **6** – Community development strategies

Project: **Go Cook County**

Summary: For the past 18 months, ARDC has been working with a group of public, private, and non-profit leaders from Cook County to understand the local economy and chart a path to prosperity. In the past six months, ARDC staff helped develop a *Mission and Shared Vision for Prosperity* and five *Prosperity Priorities* that the County must address for economic development. Four community meetings were held in September where ARDC presented the findings of months of economic research and helped facilitate discussion on the *Mission and Shared Vision* and *Prosperity Priorities*. More than 100 community members attended and the meetings received positive coverage in the local media. ARDC recently helped facilitate a leadership retreat where 35 community leaders came together commit to the *Mission and Shared Vision*, began develop strategies around the *Prosperity Priorities* and commit to keep the process moving forward with local leadership. A follow-up meeting to assess progress is scheduled for February 2014. ARDC is currently hosting the Go Cook County website at www.arrowheadplanning.org/gocookcounty.

Objectives: **2** – Industry clusters, **3** – Regionally significant projects, **6** – Community development strategies

Project: **Koochiching County – International Falls Economic Adjustment Assistance**

How to Read This Report

This section of the FY 2013 Midpoint Progress Report contains a summary of major projects ARDC worked on from July 01, 2013 to December 31, 2013. Each project contains the following information:

Project: This is the name of the project.

Summary: Project background and a summary of the work completed to date.

Objectives: Identifies which planning investment work plan objective the project addresses. Refer to Table 1.



NORTHEAST MINNESOTA ECONOMIC DEVELOPMENT DISTRICT

Midpoint Progress Report

FY 2013 Planning Assistance - Award Number 06-83-05827

- Summary:** In May 2013, Koochiching County and the City of International Falls learned that their largest employer, the Boise Inc. paper mill, would shut down part of its operations and permanently reduce its workforce by 265 people. The County of 13,000 residents had already lost 50 healthcare jobs earlier in 2013 and is facing the elimination of 100 more as the result of a potential closure of a community hospital. ARDC immediately became involved in the response and recovery efforts by attending meetings with the public, local leaders, and state and federal officials to offer its assistance as the Economic Development District. ARDC's governing board also identified assisting Koochiching County and International Falls as the highest priority project in the 2013 CEDS update. ARDC continues to work with the locally established Economic Response Team by helping to develop scopes of work for recovery efforts. ARDC became the lead applicant for an EDA Economic Adjustment Assistance application that will implement an 18 month economic adjustment program.
- Objectives:** **1** – CEDS, **3** – Regionally significant projects, **4** – Economic resiliency, **5** – National strategic priorities, **6** – Community development strategies
- Project:** **Northern Aero Alliance (NAA)**
- Report:** The NAA is a collaboration of aviation industry and agency stake holders centered in Duluth. The Alliance's vision is to increase the economic prominence of northeast Minnesota's and northwest Wisconsin's aeronautics stakeholders by providing a common voice and working collaboratively to enhance industry-wide success. The NAA meets regularly and addresses many area initiatives and events. The NAA has taken prominent roles in attracting multiple major employers to the region, including AAR, Kestrel, and Cirrus. The group has also been working with area educational institutions in developing new programs that will create a skilled workforce that is qualified to work in the aviation industry. ARDC assisted the NAA to secure grant funds used to develop a new web site at www.northernaeroalliance.com. ARDC hosts and maintains the site.
- Objectives:** **2** – Industry clusters, **3** – National strategic priorities
- Project:** **Two Harbors Planning**
- Report:** ARDC continues to assist the City of Hermantown with Planning and development services. In the past six months development and redevelopment activities have started on several properties that ARDC assisted the City with addressing zoning and infrastructure needs. ARDC is assisting the City with construction of a trail system that is producing economic benefits to the community. Recently a small business decided to



NORTHEAST MINNESOTA ECONOMIC DEVELOPMENT DISTRICT

Midpoint Progress Report

FY 2013 Planning Assistance - Award Number 06-83-05827

purchase land from the City because it is adjacent to the trail system. ARDC is preparing to finish a zoning code overhaul that will streamline the permitting process and reflect contemporary land use need. ARDC is also reviewing the City's Comprehensive Plan to address new community infrastructure projects in order to be eligible for funding from the Iron Range Resources and Rehabilitation Board.

Objectives: **6** – Community development strategies

Project: **Hermantown Planning**

Report: ARDC continues to assist the City of Hermantown with planning and development services. ARDC is currently working with the City to promote redevelopment in two areas of the community by helping to identify needed improvements in zoning, transportation, public utilities and environmental infrastructure, and financial assistance. ARDC is preparing to start working with the city on a small area plan to improve business and job growth opportunities in a commercial-light industrial district.

Objectives: **6** – Community development strategies

Project: **Tourism Cluster and Scenic Byways**

Report: Tourism and related industries is identified as on the region's industry clusters in the CEDS. CEDS goals include support of tourism projects that build upon a community's existing strengths including proximity to outstanding natural resources; historic and cultural areas; national, state, and county parks; retirement community status; recreation destination status; and other similar factors. ARDC worked on the following tourism related projects:

Heart of the Continent Partnership (HOCPP) – The HOCPP is a Canadian/American coalition of land managers and local stakeholders working together on cross-border projects that promote the economic, cultural and natural health of the lakes, forests and communities on the Ontario/Minnesota border. Representing a broad array of organizations, the partnership seeks to develop a common identity and sense of belonging in the cross-border area. ARDC is assisting the coalition with the development of a major cooperative project with the National Geographic Society. The regional geotourism initiative will include a map and website. The goal is to increase visitorship, build support for the region, and build community among those who care for it. ARDC is assisting by providing technical assistance and managing the fiscal aspects of the project.



NORTHEAST MINNESOTA ECONOMIC DEVELOPMENT DISTRICT

Midpoint Progress Report

FY 2013 Planning Assistance - Award Number 06-83-05827

North Shore Scenic Drive – ARDC is providing technical support to Lake County and the City of Beaver Bay to fulfill the construction of the Beaver Bay Trailhead, a new destination point along the Gitchi-Gami State Trail that will serve travelers as a rest area and bike trail users as an official trailhead. The new trailhead is expected to spur economic development in the Beaver Bay and Silver Bay areas from the increase in visitor use. In addition, ARDC is working with the North Shore Scenic Drive Council to develop a design plan for safety and visitor amenity improvements to the popular Caribou Falls State Wayside. During 2014-2015 ARDC will also complete an ADA Accessibility Recommendations Report for all of the public waysides along the North Shore Scenic Drive to better promote travel along the byway for visitors of all abilities.

Superior National Forest Scenic Byway – This Scenic Byway offers a direct route between the North Shore of Lake Superior and Minnesota’s Iron Range Communities. The Byway’s Council operates to cooperatively increase the economic impact of tourism of the region and to improve the quality of safety of the route itself, while promoting intrinsic qualities of the area. ARDC has worked with the Byway Council to expand the Byway designation to include the cities of Beaver Bay, Biwabik, and Gilbert. The Council and the expansion communities feel this designation will help increase tourism to the region and throughout the state through the promotion of the area’s qualities and activities.

Waters of the Dancing Sky Scenic Byway – This Scenic Byway connects the Red River at the North Dakota Border and Rainy Lake at Voyageurs National Park. In 2013, ARDC worked with the Headwaters Regional Development Commission, Northwest Regional Development Commission, and Byway Stakeholders to establish a Corridor Management Plan (CMP) for the Byway. This CMP identifies and discusses the Byway’s intrinsic qualities, reviews the roadway’s current conditions and maintenance plans, explores visitor needs and expectations and discusses how to promote the Byway while protecting its outstanding features in the future. The development of this plan sets a framework for a variety of projects that could expand travel and economic development to the Byway and throughout the state.

Objectives: **2** – Industry clusters, **6** – Community development strategies

Project: **Minnesota Association of Development Organizations and Greater Minnesota Development Strategy**

Report: In October ARDC hosted the Minnesota Association of Development Organizations. Northwest Regional Planning Commission, Spooner, Wisconsin led the planners and executive directors from Minnesota’s Economic Development Districts on a tour of the



NORTHEAST MINNESOTA ECONOMIC DEVELOPMENT DISTRICT

Midpoint Progress Report

FY 2013 Planning Assistance - Award Number 06-83-05827

Northwest Enterprise Center Network, a rural business incubator program active in several communities. The group toured several participating businesses and had the opportunity to discuss the challenges and opportunities of the program.

ARDC continues to work with Minnesota's other Economic Development Districts to make the case for a Greater Minnesota Economic Development Strategy to increase collaboration across EDD boundaries, enhance organizational resources, and position regional CEDS as more effective building blocks for statewide and local strategies. Goals include:

- Create a common framework for regional economic plans, including a template for data collection, assessment, and strategies, and measures of success;
- Develop regional strategies that address the special challenges and opportunities of each part of the state;
- Create a framework for state action that will enhance and support economic development efforts at the local and regional level;
- Develop and implement an approach that effectively engages state partners; and
- Raise the bar on what constitutes effective rural economic development in Minnesota.

Objectives: **1** – CEDS, **8** – Economic development organizations